

# THE green REPORT



## Paul's Perspective

by Paul Green, CFP®, CIM®

### Excellent performance continues!

Stocks continued to improve in the first quarter of 2014 gaining 5.2% in Canada and 1.3% in the US. This is in contrast to last year when US stocks were in the spotlight with a huge gain. Our portfolios did quite well even though we are overweight in the US. Diversiflex gained approximately 5.5% for the quarter. On a technical basis, we continue to see strength in the US market. We also continue to like the US dollar over bonds and saw a very nice price increase in the first quarter gaining over 3.5%.

### Are these returns too good?

Performance has been very good over the past year and we should all be happy we have been rewarded for the risk we have taken. The problem is we will not see these types of returns continuing as we all know investing doesn't work that way. You might have noticed that in this first quarter, markets seemed a little more volatile than they have been. This is quite normal and probably will continue. You might have also noticed more and more "experts" in the media talking about the stock markets "getting ahead of themselves" and that they

are "due for a pullback". This might be true but we don't operate that way. Just because we have had a good run doesn't mean



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it can't continue well past what the experts are saying is fair value in the markets. In fact, markets often do go up further. We will continue to pay attention to big money flows and watch the trends for our cue to make changes. And we will continue to let the media talk about how this is the time to get out of stocks every time there is a 5% blip (we call this noise).

### He's back!

Back by popular demand, Jeremy Fehr is making the trip from Calgary to speak to us again! Jeremy is the Founder and President of SIA Charts, the firm that provides us the critical technical information we need to manage your money. Jeremy has vast experience and knowledge in the area of technical analysis and will share more of his insight with us Tuesday April 22nd at the Quality Inn. If you missed him the last time he was here please take this opportunity to come and meet him. I believe Jeremy is one of the very top analysts in the world and our clients reap the benefit of his invaluable skills. I also want to encourage all of you to bring others as well. I know you might be thinking "this investment information is typically quite boring so how am I going to convince busy people to come?"

My response is, this is the best non threatening way for your family and friends to find out about how to have their portfolios invested to reduce the probability of holding stocks if there were another 2008/2009 market collapse. This is your opportunity to help the people you care about better protect their money so they do not face a financially hopeless future.

*Charting Your Course  
to Financial Independence*

# Service Matters

## WealthTracker

We would like to remind clients that the Wealth-Tracker website address has changed. To access your WealthTracker account, visit <https://www.holliswealth.com/> action/on your computer or iPad. If you are interested in viewing your accounts online or having your statements sent electronically, please contact the office – we would be happy to help set you up!

## Annual Shredding Day

After much positive feedback from last year's shredding day, we are pleased to offer it once again this year. Our 2nd annual shredding day will be held on May 13th from 8:30 am to 5 pm. Bring your unwanted personal documents and we will have Integra Documents look after the shredding of them for you.

## Online Deposits

Another RRSP season has drawn to a close! This year, we had more clients contribute via online deposits from their bank, directly to their accounts at Green Financial Group. If this interests you, please contact us and we will help set you up!

## GREEN TEAM NEWS

### Congratulations Paul!

Paul has been studying hard through the winter months to further his education and has successfully passed his Chartered Investment Manager (CIM®) course offered through the Canadian Securities Institute. This important achievement will help Green Financial Group offer more investment options for our clients.

### Brad Earns His Life License

Brad has also been studying hard over the winter months to complete the Life Licence Qualification Program (LLQP). He successfully passed the Ontario LLQP exam and has obtained his Life Insurance License. He will be continuing to hit the books this summer as he pursues his Certified Financial Planning (CFP®) designation later this year.



### Seared Scallops, Bacon, Potato and Spring Asparagus Risotto

**CHEF'S CORNER** with Chef Rob Bartley

#### For the Bacon, Potato and Asparagus Risotto...

**Serves 2**

**8 large, fresh, sea scallops**  
**1 Tb butter**

**1 Yukon gold potato,** (dice into rice size pieces, store in 35% cream)

**4 stems of asparagus,** (thinly sliced into coins)  
**1 cup 35% cream**

**1/2 cup double smoked bacon slab, diced into small pieces**

**1 shallot, minced**

**1 clove of garlic, minced**

**1 branch of thyme**

**1 egg yolk**

**2 Tb butter**

**2 Tb grated Parmesan Reggiano**

#### For the Scallops...

1. Season scallops with salt and pepper, pat dry.
2. Heat skillet until quite hot, add a little vegetable oil and place scallop in middle of pan.
3. Add a knob of butter and allow to caramelize around scallop.
4. Lift scallop to see if nice brown colour.
5. Sear other side and repeat with butter process.
6. Baste scallops with a spoon and melted butter until scallop is just cooked.
7. Set aside.

### Woodstock Rotary Dragon Boat Festival



Dave Harris has acted as a chairperson of the Woodstock Rotary Dragon Boat Festival several times over the last 13 years. He is the current chair of the festival and along with his committee, they also run the Dragon Boat Fun Race League.

Since the festival began in 1998, The Rotary Club has raised thousands of dollars for local and international projects while at the same time, supporting the development of the sport locally.

This summer six teams will practice weekly along with the Fun Race League which draws about 80 participants annually. The Fun Race League gets underway in mid May. Signups are now open at [www.dragonboatwoodstock.ca](http://www.dragonboatwoodstock.ca).

#### For the Bacon, Potato and Asparagus Risotto...

1. In a heavy bottomed sauce pan slowly render the diced smoked bacon. Add shallots and garlic and sauté slowly until soft and translucent.
2. Add branch of thyme and potatoes along with its 35% cream.
3. Simmer while stirring constantly to promote starch extraction.
4. Once potatoes are al dente remove from heat.
5. Add raw asparagus coins and heat through for 1 minute while stirring.
6. Add egg yolk, Parmesan and butter, stir well.
7. Adjust seasoning and spoon on to plate.

## GREEN TEAM IN THE COMMUNITY

### Big Brothers Big Sisters

Green Financial Group has taken an active role in supporting Big Brothers Big Sisters over the last few months.

#### Bowl for Kids Sake

 Green Financial hit the lanes on February 26th, 2014 as they participated in Big Brothers Big Sisters biggest fundraiser of the year – Bowl for Kids Sake. Mardi Gras was the theme for this year's event which featured music, excitement and of course, costumes! Our team came dressed in



masks and beads and Brad took the prize for "Best Green Team Bowler". We enjoyed a fun evening of bowling

and friendship and most importantly, a total of \$1,209 was raised for a worthy cause.

### A Little Brother for Brad

The Big Brothers/Sisters Mentoring program provides boys, girls and young adults with a role model and a friend of the same gender to talk to and share the experiences of growing up with. "Bigs" and "littles" are matched up and through regular outings and shared activities, the big brother/sister plays a mentoring role in the child's life. Many of the kids who participate in the

program live with a single parent and are in need



of a male/female role model.

Brad has worked with the organization over the last six months to become a Big Brother and this past January, was matched with 9 year old Jordan. Since then, they have been inseparable, participating in many activities together such as bowling and tobogganing.

The agency is currently in need of both Big Brothers and Big Sisters (especially big brothers) in the Oxford County Region - many "littles" remain on the waiting list. For just a few hours, a couple of times a month, you could help a child succeed! If this sounds like something that would interest you,

please contact Kristen at Big Brothers Big Sisters at [kristen.ralph@bigbrothers-bigsisters.ca](mailto:kristen.ralph@bigbrothers-bigsisters.ca)



### Munch & Mingle at Tastings

Green Financial Group is pleased to once again be a Title Sponsor for Big Brothers Big Sisters annual Tastings event. This year's event will be held on Friday

May 9th from 7 to 10 pm at the Quality Hotel & Suites. The evening includes entertainment, a silent and live auction, penny sale and sampling of wines, brews and local cuisine.

Come out and munch and mingle with the Green Team – tickets are available at our office and are only \$40 if purchased in advance!

# Committed Value vs. Pension Promise

DAVE'S INSIGHTS by David Harris, CFP®

Defined benefit pension plans have been the backbone of many people's retirement planning in the past but those days are quickly coming to an end. While government and quasi government plans such as HOOP, Teachers Pension and OMER's continue, private companies are switching to defined contribution plans or group RRSP's to shift the responsibility of managing retirement savings back to their employees. While the employer may still make plan contributions, the employees are left to make the investment decisions.

Companies such as GM continue to offer commuted value buyouts for some employees in order to take the retirement funding burden off the company. As a result, individuals must take more time to evaluate their investment strategy and ensure that they have a proper plan in place to provide for a secure retirement.

If you or someone you know is faced with making a decision on whether or not to accept a commuted value of a pension payout, it is critical to meet with a financial planner to review the offer and consider the implications of either leaving it in the plan or transferring the value to your personal accounts. The review should include information on the following seven points:

**1) The funding status of the current pension plan and its prospects for the next 35 years.** By leaving your pension with the company you trust them to manage the funds and meet their commitment to you, a long way into the future.

**2) Life expectancy.** This is a question we do not know the answer to but you can make some assumptions based on current health and family history. Your pension will be worth nothing after you and your spouse pass away so if you have a shortened life expectancy, i.e. your mid 70's, then the commuted

value can offer an opportunity to pass on some pension funds to your family.

**3) Anticipated retirement needs and timing of income.**

Some people expect to spend more money early in retirement on travel and less as they get older. Having a fixed pension for life may not suit these plans.

**4) How close you are to retirement.** If you are age 55 and eligible for a full buyout but have plans to continue working, you could invest the pension and defer income until a later date.

**5) Your tolerance for risk.** Are you comfortable in accepting the investment risk required to get the returns needed to beat the pension plan income?

**6) The amount of the commuted value offer and how much can be transferred to a locked-in retirement account and your RRSP account.** When interest rates are low as they are now, commuted values offered are significantly higher than a few years ago. In some cases not all of your pension can be moved tax-sheltered to retirement plans. This will impact the net amount you receive and also will reduce the future tax payable.

**7) The rate of return needed to outperform your pension plan.** In many of our calculations we see that a 3% return is all that is needed to meet the pension offered. If you think that you can earn 4% or more over the long term then it makes sense to take the commuted value. You could enjoy a higher retirement income and leave funds for your heirs.

Your Financial Planner will need a copy of the latest pension statement, the buyout offer and a recent annual report on the pension plan to begin the process of reviewing your options. Paul and I have helped clients and their friends and family members work through this process many times. If you would like to discuss your situation with us please feel free to give us a call.

## Charting Your Course to Financial Independence



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